GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4138
ANSWERED ON:18.08.2000
SICK TEA GARDENS
RAJESH RANJAN (PAPPU YADAV)

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether some tea gardens being run by the Tea Trading Corporation of India as well as some private companies have become sick;

(b) if so, the details of such tea gardens and the reasons therefor;

(c) whether the Government propose to revive and restructure these sick tea gardens; and

(d) if so, the steps taken by the Government in this direction?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) to (d): Tea Trading Corporation of India Ltd. (TTCI) is a wholly owned subsidiary of STC, which manages the administration of five tea gardens in the States of West Bengal and Assam. The company is facing an acute financial crunch being a loss making company and has been unable to discharge its obligations. The total liability of the Company is estimated around Rs. 36 crores as on 31.1.1997. TTCI management has filed a petition in Calcutta High Court for liquidation of the company.The case is pending in the Court. TTCI is in the condition of ill economic health and it is not possible for the company to generate funds for revival of its gardens.

According to a survey conducted by Tea Board in late 1998, around 46 tea gardens mainly in the Barak Valley of Assam and West Bengal have been found to be sick/weak. The major reasons for sickness/weakness of the tea estates are ownership disputes, managerial deficiency, financial mismanagement and protracted litigations. With a view to revive and revamp the sick/weak tea estates, Tea Board has extended the following benefits:

- Exemption to the contribution of National Tea Research foundation for a period of 5 years from the date of taking over of sick tea gardens by a new management.
- To consider the applications of such gardens for financial assistance even if the accumulated Provident Fund liability exceed Rs.10,000/-(for regular gardens Boards`s financial assistance in the normal circumstances is not made available if the outstanding P.F. dues exceed Rs.10,000/-).
- Concession in membership with the Tea Research Associations so as to enable them avail the technical support for a period of 5 years from the date of assumption of charge by the new management.
- Extension of moratorium period for the repayment of the outstanding dues in respect of all the past loans availed under the Board`s ongoing schemes.